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SEC. 701. (a). The Director of Central Intelligence shall undertake to contract with the National Academy of Public Administration (hereinafter referred to as the Academy) for an objective classified study which shall consist of a comprehensive review and comparative analysis of all personnel management and compensation systems affecting civilian [personnel] employees of agencies and entities of the intelligence community.

(b) In conducting the study described in subsection (a), the Academy shall determine the adequacy of existing personnel systems to further the ability of intelligence agencies or entities to perform [their mission] the different missions and functions which they are assigned, and make such recommendations for legislative, regulative, or other changes as the Academy determines advisable.

(c) The study described in subsection (a) shall be completed in final form no later than January 20, 1989. In addition, there shall be interim reports in May 1988 and in August 1988 which shall focus on new personnel management and compensation policies that transform pay grade systems into banded systems of pay. [and s] Such study, and any interim reports of such study, shall be transmitted upon receipt by the Director of Central Intelligence to the Permanent Select Committee on Intelligence of the House of Representatives and the Senate Select Committee on Intelligence of the Senate.

(d) Of the amount available to the Intelligence Community Staff for fiscal year 1988 under Section 2012, not more than \$500,000 shall be available for the study described in subsection (a).

(e) The Director of Central Intelligence, the Director of the Intelligence Community Staff, and the heads of the elements of the intelligence community shall provide such support and appropriate access to necessary information as the Academy may require to complete the study described in subsection (a).

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## TITLE VII--STUDY OF INTELLIGENCE PERSONNEL SYSTEMS

## SECTION 701

Section 701 of the conference report requires the Director of Central Intelligence to contract with the National Academy of Public Administration to perform an objective classified study of personnel management and compensation systems affecting civilian [personnel] employees of the United States intelligence community.

Section 601 of the House bill would have created a Commission on Intelligence Personnel Systems to review personnel recruitment, retention, management and compensation programs of the U.S. intelligence community. The commission would have been made up of three members, one appointed by the President, another by the Speaker of the House, and a third by the Majority Leader of the Senate. The House felt the Commission was necessary to provide a comprehensive review of current programs; assess the need for changes, especially those required by the unique circumstances of the different intelligence missions and functions of each Intelligence Agency; [activities] and to present recommendations to the Congress for necessary changes after considering the potential [inequities] divergencies the proposed changes would create either among intelligence agencies or between the intelligence community and the Federal Civil Service. The Senate amendment had no comparable provision.

The conference agreement provides for the conduct of the study that would have been required by the House bill except that under the conference agreement, the study shall be conducted by the National Academy of Public Administration (NAPA), an independent Federally-chartered institution with significant expertise in government management issues and an excellent reputation for objective, thorough study.

The conference agreement directs the Director of Central Intelligence to contract with NAPA to conduct the study of intelligence personnel systems but it is the expectation of the conferees that the Director will keep [consult with] the intelligence committees informed on the conduct of the study [in his negotiations to select a NAPA team to conduct the study and in the development of essential parameters of that study]. The language of the conference agreement also provides that the Director of Central Intelligence, the Director of the Intelligence Community Staff, and all elements of the intelligence community must provide necessary support, including personnel, to the NAPA panel as well as access to all information relating to intelligence personnel and management issues. The conferees further urge the Director of Central Intelligence to ensure that members and staff of the NAPA panel are given every measure of cooperation and that security investigations and review necessary to provide clearances for them are given priority attention.

NAPA will be tasked with producing [Preliminary discussion with officials of NAPA has indicated the possibility that the study panel could produce] interim analytical reports before the required completion of the final report by January 20, 1989. The conferees believe that such interim reports could be useful to the intelligence committees and to the intelligence community. The conferees urge the Director to ensure that such interim reports particularly address an analysis of existing and potential incentives aimed at recruiting or retaining individuals with skills critical to the various missions of the agencies and entities of the intelligence community. Among the skills of critical importance to a number of such intelligence entities are mathematics, computer science, engineering, and foreign languages.

-13-

The conferees are aware that some intelligence agencies may seek to institute changes in their personnel management and compensation programs during the period in which NAPA is conducting the intelligence personnel study. The conferees [do not] wish to [discourage] encourage [personnel management and] compensation improvements implemented within the framework of current programs. However, the purpose of the study is to provide a baseline for a comprehensive review by the intelligence committees of all of the intelligence personnel needs of the different intelligence agencies presented in a coherent and coordinated fashion. [The conferees believe that significant, non-urgent changes in personnel management or compensation programs should be reviewed very carefully before they are implemented.]

The conferees consider the authorized programs for fiscal year 1988 to include only those [personnel management and] compensation programs in effect at the time the budget was submitted and justified. [Changes to those programs would be of special Congressional interest and would require submission to the appropriate committees for consideration under established reprogramming or transfer procedures.] While the conferees do not intend to discourage any change, they emphasize that any contemplated program change requiring reprogramming action should be submitted well in advance of the date anticipated for implementation. [Unless submitted as part of the annual fiscal year 1989 budget request, such proposals should be submitted at least 30 days prior to proposed implementation.]